- 2 <u>ESHB 2676</u> S AMD 000369 3 By Senator Quigley
- 4 WITHDRAWN 3/8/94
- 5 On page 177, after line 36, insert the following:
- 6 "Sec. 872. RCW 66.04.010 and 1991 c 192 s 1 are each amended to 7 read as follows:
- 8 In this title, unless the context otherwise requires:
- 9 (1) <u>"Agency" means the liquor control agency, the state agency</u>
 10 established under section 2 of this act.
- 11 (2) "Alcohol" is that substance known as ethyl alcohol, hydrated 12 oxide of ethyl, or spirit of wine, which is commonly produced by the
- 13 fermentation or distillation of grain, starch, molasses, or sugar, or
- 14 other substances including all dilutions and mixtures of this
- 15 substance. The term "alcohol" does not include alcohol in the
- 16 possession of a manufacturer or distiller of alcohol fuel, as described
- 17 in RCW 66.12.130, which is intended to be denatured and used as a fuel
- 18 for use in motor vehicles, farm implements, and machines or implements
- 19 of husbandry.
- 20 $((\frac{(2)}{2}))$ "Beer" means any malt beverage or malt liquor as these 21 terms are defined in this chapter.
- 22 (((3))) (4) "Board" means the liquor control review board comprised
- 23 of five individuals appointed by the governor to conduct hearings on
- 24 appeals of certain actions of the director.
- 25 <u>(5)</u> "Brewer" means any person engaged in the business of 26 manufacturing beer and malt liquor.
- 27 ((4) "Board" means the liquor control board, constituted under 28 this title.
- 29 $\frac{(5)}{(6)}$ "Club" means an organization of persons, incorporated or
- 30 unincorporated, operated solely for fraternal, benevolent, educational,
- 31 athletic or social purposes, and not for pecuniary gain.
- 32 $((\frac{6}{}))$ "Consume" includes the putting of liquor to any use,
- 33 whether by drinking or otherwise.
- $((\frac{7}{1}))$ (8) "Dentist" means a practitioner of dentistry duly and
- 35 regularly licensed and engaged in the practice of his or her profession
- 36 within the state pursuant to chapter 18.32 RCW.

- 1 $((\frac{8}{}))$ (9) "Director" means the director of the liquor control 2 agency.
- 3 $\underline{(10)}$ "Distiller" means a person engaged in the business of 4 distilling spirits.
- (((+9))) (11) "Druggist" means any person who holds a valid certificate and is a registered pharmacist and is duly and regularly engaged in carrying on the business of pharmaceutical chemistry pursuant to chapter 18.64 RCW.
- 9 (((10))) <u>(12)</u> "Drug store" means a place whose principal business 10 is, the sale of drugs, medicines and pharmaceutical preparations and 11 maintains a regular prescription department and employs a registered 12 pharmacist during all hours the drug store is open.
- $((\frac{11}{11}))$ (13) "Employee" means any person employed by the $(\frac{board}{11})$ director, including a vendor, as hereinafter in this section defined.
- 15 $((\frac{12}{12}))$ <u>(14)</u> "Fund" means 'liquor revolving fund.'
- 16 $((\frac{13}{13}))$ (15) "Hotel" means every building or other structure kept, 17 used, maintained, advertised or held out to the public to be a place where food is served and sleeping accommodations are offered for pay to 18 19 transient guests, in which twenty or more rooms are used for the 20 sleeping accommodation of such transient guests and having one or more dining rooms where meals are served to such transient guests, such 21 sleeping accommodations and dining rooms being conducted in the same 22 23 building and buildings, in connection therewith, and such structure or 24 structures being provided, in the judgment of the ((board)) director, 25 with adequate and sanitary kitchen and dining room equipment and 26 capacity, for preparing, cooking and serving suitable food for its guests: PROVIDED FURTHER, That in cities and towns of less than five 27 thousand population, the ((board)) director shall have authority to 28 29 waive the provisions requiring twenty or more rooms.
- 30 (((14))) (16) "Imprisonment" means confinement in the county jail.
- $((\frac{15}{15}))$ <u>(17)</u> "Liquor" includes the four varieties of liquor herein 31 defined (alcohol, spirits, wine and beer), and all fermented, 32 spirituous, vinous, or malt liquor, or combinations thereof, and mixed 33 34 liquor, a part of which is fermented, spirituous, vinous or malt 35 liquor, or otherwise intoxicating; and every liquid or solid or semisolid or other substance, patented or not, containing alcohol, 36 37 spirits, wine or beer, and all drinks or drinkable liquids and all preparations or mixtures capable of human consumption, and any liquid, 38 semisolid, solid, or other substance, which contains more than one 39

- 1 percent of alcohol by weight shall be conclusively deemed to be 2 intoxicating. Liquor does not include confections or food products 3 that contain one percent or less of alcohol by weight.
- 4 (((16))) (18) "Manufacturer" means a person engaged in the 5 preparation of liquor for sale, in any form whatsoever.
- $((\frac{17}{17}))$ (19) "Malt beverage" or "malt liquor" means any beverage 6 7 such as beer, ale, lager beer, stout, and porter obtained by the 8 alcoholic fermentation of an infusion or decoction of pure hops, or 9 pure extract of hops and pure barley malt or other wholesome grain or 10 cereal in pure water containing not more than eight percent of alcohol by weight, and not less than one-half of one percent of alcohol by 11 volume. For the purposes of this title, any such beverage containing 12 13 more than eight percent of alcohol by weight shall be referred to as "strong beer." 14
- 15 $((\frac{18}{18}))$ <u>(20)</u> "Package" means any container or receptacle used for 16 holding liquor.
- 17 $((\frac{19}{19}))$ <u>(21)</u> "Permit" means a permit for the purchase of liquor 18 under this title.
- 19 $((\frac{(20)}{(20)}))$ <u>(22)</u> "Person" means an individual, copartnership, 20 association, or corporation.
- $((\frac{(21)}{(21)}))$ (23) "Physician" means a medical practitioner duly and regularly licensed and engaged in the practice of his <u>or her</u> profession within the state pursuant to chapter 18.71 RCW.
- (((22))) (24) "Prescription" means a memorandum signed by a physician and given by him <u>or her</u> to a patient for the obtaining of liquor pursuant to this title for medicinal purposes.
- $((\frac{23}{23}))$ (25) "Public place" includes streets and alleys of 27 28 incorporated cities and towns; state or county or township highways or 29 roads; buildings and grounds used for school purposes; public dance 30 halls and grounds adjacent thereto; those parts of establishments where 31 beer may be sold under this title, soft drink establishments, public buildings, public meeting halls, lobbies, halls and dining rooms of 32 hotels, restaurants, theatres, stores, garages and filling stations 33 34 which are open to and are generally used by the public and to which the 35 public is permitted to have unrestricted access; railroad trains, stages, and other public conveyances of all kinds and character, and 36 37 the depots and waiting rooms used in conjunction therewith which are open to unrestricted use and access by the public; publicly owned 38 39 bathing beaches, parks, and/or playgrounds; and all other places of

- 1 like or similar nature to which the general public has unrestricted 2 right of access, and which are generally used by the public.
- 3 (((24))) <u>(26)</u> "Regulations" <u>or "rules"</u> means ((regulations made))
- 4 <u>rules adopted under chapter 34.05 RCW</u> by the ((board)) <u>agency</u> under the 5 powers conferred by this title.
- 6 $((\frac{25}{25}))$ "Restaurant" means any establishment provided with
- 7 special space and accommodations where, in consideration of payment,
- 8 food, without lodgings, is habitually furnished to the public, not
- 9 including drug stores and soda fountains.
- 10 $((\frac{(26)}{)})$ "Sale" and "sell" include exchange, barter, and
- 11 traffic; and also include the selling or supplying or distributing, by
- 12 any means whatsoever, of liquor, or of any liquid known or described as
- 13 beer or by any name whatever commonly used to describe malt or brewed
- 14 liquor or of wine, by any person to any person; and also include a sale
- 15 or selling within the state to a foreign consignee or his or her agent
- 16 in the state. "Sale" and "sell" shall not include the giving, at no
- 17 charge, of a reasonable amount of liquor by a person not licensed by
- 18 the ((board)) agency to a person not licensed by the ((board)) agency,
- 19 for personal use only. "Sale" and "sell" also does not include a
- 20 raffle authorized under RCW 9.46.0315: PROVIDED, That the nonprofit
- 21 organization conducting the raffle has obtained the appropriate permit
- 22 from the ((board)) agency.
- $((\frac{27}{1}))$ Soda fountain means a place especially equipped
- 24 with apparatus for the purpose of dispensing soft drinks, whether mixed
- 25 or otherwise.
- 26 $((\frac{(28)}{)})$ "Spirits" means any beverage which contains alcohol
- 27 obtained by distillation, including wines exceeding twenty-four percent
- 28 of alcohol by volume.
- 29 $((\frac{(29)}{)})$ "Store" means a state liquor store established under
- 30 this title.
- (((30))) (32) "Tavern" means any establishment with special space
- 32 and accommodation for sale by the glass and for consumption on the
- 33 premises, of beer, as herein defined.
- (((31))) <u>(33)</u> "Vendor" means a person employed by the ((board))
- 35 agency as a store manager under this title.
- (((32))) (34) "Winery" means a business conducted by any person for
- 37 the manufacture of wine for sale, other than a domestic winery.
- (((33))) "Domestic winery" means a place where wines are
- 39 manufactured or produced within the state of Washington.

(((34))) (36) "Wine" means any alcoholic beverage obtained by 1 fermentation of fruits (grapes, berries, apples, et cetera) or other 2 agricultural product containing sugar, to which any saccharine 3 4 substances may have been added before, during or after fermentation, and containing not more than twenty-four percent of alcohol by volume, 5 including sweet wines fortified with wine spirits, such as port, 6 7 sherry, muscatel and angelica, not exceeding twenty-four percent of 8 alcohol by volume and not less than one-half of one percent of alcohol 9 by volume. For purposes of this title, any beverage containing no more 10 than fourteen percent of alcohol by volume when bottled or packaged by the manufacturer shall be referred to as "table wine," and any beverage 11 containing alcohol in an amount more than fourteen percent by volume 12 13 when bottled or packaged by the manufacturer shall be referred to as 14 "fortified wine." However, "fortified wine" shall not include: (a) 15 Wines that are both sealed or capped by cork closure and aged two years 16 or more; and (b) wines that contain more than fourteen percent alcohol 17 by volume solely as a result of the natural fermentation process and that have not been produced with the addition of wine spirits, brandy, 18 19 or alcohol.

20 This subsection shall not be interpreted to require that any wine 21 be labeled with the designation "table wine" or "fortified wine."

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 $((\frac{35}{)})$ (37) "Beer wholesaler" means a person who buys beer from a brewer or brewery located either within or beyond the boundaries of the state for the purpose of selling the same pursuant to this title, or who represents such brewer or brewery as agent.

(((36))) <u>(38)</u> "Wine wholesaler" means a person who buys wine from a vintner or winery located either within or beyond the boundaries of the state for the purpose of selling the same not in violation of this title, or who represents such vintner or winery as agent.

"NEW SECTION. **Sec. 873.** A new section is added to chapter 66.08 RCW to read as follows:

There is an agency of state government known as the "Washington state liquor control agency."

The executive head of the liquor control agency is the director.
The director is appointed by, and serves at the pleasure of, the
governor. The appointment of the director is subject to confirmation
by the senate. The director is paid a salary to be fixed by the
governor in accordance with RCW 43.03.040. The director shall have:

- 1 (1) At least five years of demonstrated successful business or public
- 2 management experience; (2) demonstrable competence in establishing and
- 3 using management information systems; and (3) a demonstrated
- 4 understanding of distribution and retail sales operations and the
- 5 relevance of that knowledge to the Washington's controlled sales
- 6 environment.
- 7 "NEW SECTION. Sec. 874. All powers, duties, and functions vested
- 8 by law in the liquor control board are transferred to the director of
- 9 the liquor control agency, except those powers, duties, and functions
- 10 which are expressly assigned to the liquor control review board. This
- 11 transfer shall take place July 1, 1995. This act does not create a new
- 12 agency, but establishes the Washington state liquor control review
- 13 board and provides for a new administrative structure within the
- 14 renamed agency.
- 15 "NEW SECTION. Sec. 875. A new section is added to chapter 66.08
- 16 RCW to read as follows:
- 17 There shall be a right of appeal of decisions of the director made
- 18 under RCW 66.24.010, on decisions made under the authority granted to
- 19 the director under RCW 66.08.030(2)(a), on decisions made under chapter
- 20 66.44 RCW, or on decisions made under section 9(9) of this act. These
- 21 appeals shall be heard by the liquor control review board.
- The final decision of the liquor control review board shall be an
- 23 adjudicative proceeding and subject to the applicable provisions of
- 24 chapter 34.05 RCW.
- 25 "Sec. 876. RCW 66.08.012 and 1961 c 307 s 7 are each amended to
- 26 read as follows:
- 27 ((There shall be a board, known as the "Washington state liquor control
- 28 board, " consisting of three)) The liquor control review board shall
- 29 consist of five members, to be appointed by the governor, with the
- 30 consent of the senate, ((who shall)) to serve six-year staggered terms.
- 31 <u>Each member shall</u> be ((paid an annual salary to be fixed by the
- 32 governor in accordance with the provisions of RCW 43.03.040))
- 33 compensated in accordance with RCW 43.03.250 and shall be reimbursed
- 34 for travel expenses in accordance with RCW 43.03.050 and 43.03.060.
- 35 The governor may, in his or her discretion, appoint one of the members
- 36 as ((chairman)) chair of the board, and a majority of the members shall

- 1 constitute a quorum of the board. The board shall meet to hear appeals
- 2 on licensing decisions made under RCW 66.24.010, on decisions made
- 3 under the authority granted by RCW 66.08.030(2)(a), on decisions made
- 4 under chapter 66.44 RCW, or on decisions made under section 9(9) of
- 5 this act.
- 6 "Sec. 877. RCW 66.08.014 and 1986 c 105 s 1 are each amended to 7 read as follows:
- 8 (1) The members of the board ((to be appointed after December 2,
- 9 1948)) shall be appointed for terms beginning ((January 15, 1949)) July
- 10 1, 1995, and expiring as follows: ((One member)) Two members of the
- 11 board for ((a)) terms of ((three)) two years from ((January 15, 1949;
- 12 one member)) July 1, 1995; two members of the board for ((a)) terms of
- 13 ((six)) <u>four</u> years from ((January 15, 1949)) <u>July 1, 1995</u>; and one
- 14 member of the board for a term of ((nine)) six years from ((January 15,
- 15 1949)) July 1, 1995. Each of the members of the board appointed
- 16 hereunder shall hold office until his or her successor is appointed and
- 17 qualified. ((After June 11, 1986, the term that began on January 15,
- 18 1985, will end on January 15, 1989, the term beginning on January 15,
- 19 1988, will end on January 15, 1993, and the term beginning on January
- 20 15, 1991, will end on January 15, 1997.)) Thereafter, upon the
- 21 expiration of the term of any member appointed after ((June 11, 1986))
- 22 July 1, 1995, each succeeding member of the board shall be appointed
- 23 and hold office for the term of six years. In case of a vacancy, it
- 24 shall be filled by appointment by the governor for the unexpired
- 25 portion of the term in which said vacancy occurs. No vacancy in the
- 26 membership of the board shall impair the right of the remaining member
- 27 or members to act, except as herein otherwise provided.
- 28 (2) The principal office of the board shall be at the state
- 29 capitol((, and it may establish such other offices as it may deem
- 30 necessary)).
- 31 (3) Any member of the board may be removed for inefficiency,
- 32 malfeasance or misfeasance in office, upon specific written charges
- 33 filed by the governor, who shall transmit such written charges to the
- 34 member accused and to the chief justice of the supreme court. The
- 35 chief justice shall thereupon designate a tribunal composed of three
- 36 judges of the superior court to hear and adjudicate the charges. Such
- 37 tribunal shall fix the time of the hearing, which shall be public, and
- 38 the procedure for the hearing, and the decision of such tribunal shall

be final and not subject to review by the supreme court. Removal of
any member of the board by the tribunal shall disqualify such member
for reappointment.

4 ((4) Each member of the board shall devote his entire time to the 5 duties of his office and no member of the board shall hold any other public office. Before entering upon the duties of his office, each of 6 7 said members of the board shall enter into a surety bond executed by a 8 surety company authorized to do business in this state, payable to the 9 state of Washington, to be approved by the governor in the penal sum of 10 fifty thousand dollars conditioned upon the faithful performance of his duties, and shall take and subscribe to the oath of office prescribed 11 for elective state officers, which oath and bond shall be filed with 12 the secretary of state. The premium for said bond shall be paid by the 13 14 board.))

15 "Sec. 878. RCW 66.08.020 and 1933 ex.s. c 62 s 5 are each amended 16 to read as follows:

The administration of this title, including the general control, management, and supervision of all liquor stores, shall be vested in the ((liquor control board, constituted under this title.)) director, who shall carry out this administrative function in accordance with the rules adopted under this title.

In addition to any other powers granted or transferred to the director, the director shall have the following powers and duties as may be necessary to carry out the purposes of this title:

- 25 (1) Supervise and administer the operations of the liquor control 26 agency in accordance with the provisions of this title;
 - (2) Appoint personnel and prescribe their duties;
 - (3) Enter into contracts on behalf of the agency;

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- 29 (4) Accept and expend donations, grants, or other funds;
- 30 (5) Delegate powers, duties, and functions of the liquor control 31 agency to employees of the agency as the director deems necessary to 32 ensure efficient administration;
- 33 (6) Appoint advisory committees and undertake studies, research,
 34 and analysis necessary to support activities of the agency;
- 35 <u>(7) Perform such other duties as are consistent with this title;</u> 36 <u>and</u>
- 37 <u>(8) The director may summarily suspend a license or permit for a</u> 38 period of up to thirty days without a prior hearing if he or she finds

- 1 that public health, safety, or welfare imperatively require emergency
- 2 action, and incorporates a finding to that effect in his or her order;
- 3 and proceedings for revocation or other action must be promptly
- 4 instituted and determined.
- 5 "Sec. 879. RCW 66.08.030 and 1977 ex.s. c 115 s 1 are each amended 6 to read as follows:
- 7 (1) For the purpose of carrying into effect the provisions of this title according to their true intent or of supplying any deficiency 8 9 therein, the ((board may make such regulations)) liquor control review board may adopt those rules not inconsistent with the spirit of this 10 title as are deemed necessary or advisable. All ((regulations)) rules 11 so made shall be a public record and shall be filed in the office of 12 the code reviser, and thereupon shall have the same force and effect as 13 if incorporated in this title. Such ((regulations)) rules, together 14 with a copy of this title, shall be published in pamphlets and shall be 15 distributed as directed by the ((board)) liquor control review board. 16
- 17 (2) The liquor control review board shall adopt rules applicable to
 18 adjudicative proceedings that are subject to the applicable provisions
 19 of chapter 34.05 RCW as provided in (a), (b), and (c) of this
 20 subsection.
- 21 (a) An opportunity for a hearing may be provided an applicant for 22 the reissuance of a permit or license prior to the disposition of the 23 application, and if no such opportunity for a prior hearing is provided 24 then an opportunity for a hearing to reconsider the application must be 25 provided the applicant.
- (b) An opportunity for a hearing must be provided a permittee or licensee prior to a revocation or modification of any permit or license and, except as provided in RCW 66.08.020(8), prior to the suspension of any permit or license.
- 30 (c) No hearing shall be required until demanded by the applicant, 31 permittee, or licensee.
- 32 (3) Without thereby limiting the generality of the provisions 33 contained in subsection (1) of this section, it is declared that the 34 power of the ((board to make regulations)) liquor control review board 35 to adopt rules in the manner set out in that subsection shall extend 36 to:
- 37 (a) ((regulating the equipment and management of stores and 38 warehouses in which state liquor is sold or kept, and prescribing the

- books and records to be kept therein and the reports to be made thereon
 to the board;
- 3 (b) prescribing the duties of the employees of the board, and 4 regulating their conduct in the discharge of their duties;
- 5 (c))) Governing the purchase of liquor by the state and the furnishing of liquor to stores established under this title;
- 7 ((\(\frac{(d)}{(d)}\)) Obetermining the classes, varieties, and brands of 8 liquor to be kept for sale at any store;
- 9 ((\(\frac{(\(\frac{\epsilon}{e}\)}{1}\))) (c) Prescribing, subject to RCW 66.16.080, the hours during 10 which the state liquor stores shall be kept open for the sale of 11 liquor;
- $((\frac{f}{f}))$ (d) Providing for the issuing and distributing of price lists showing the price to be paid by purchasers for each variety of liquor kept for sale under this title;
- 15 (((g))) <u>(e)</u> Prescribing an official seal and official labels and 16 stamps and determining the manner in which they shall be attached to 17 every package of liquor sold or sealed under this title, including the 18 prescribing of different official seals or different official labels 19 for different classes of liquor;
- 20 (((h))) <u>(f) Providing</u> for the payment by the ((board)) <u>liquor</u> 21 <u>control agency</u> in whole or in part of the carrying charges on liquor 22 shipped by freight or express;
- ((\(\frac{(\(\frac{1}{i}\)\)}{(\(\frac{g}{i}\)}\)) (g) Prescribing forms to be used for purposes of this title or the ((\(\frac{regulations}{i}\))) rules, and the terms and conditions to be contained in permits and licenses issued under this title;
- (((j))) (h) Prescribing the fees payable in respect of permits and licenses issued under this title for which no fees are prescribed in this title, and prescribing the fees for anything done or permitted to be done under the ((regulations)) rules;
- (((k))) (i) Prescribing the kinds and quantities of liquor which may be kept on hand by the holder of a special permit for the purposes named in the permit, regulating the manner in which the same shall be kept and disposed of, and providing for the inspection of the same at any time at the instance of the ((board)) <u>director</u>;
- $((\frac{1}{1}))$ (j) Regulating the sale of liquor kept by the holders of licenses which entitle the holder to purchase and keep liquor for sale;
- $((\frac{m}{m}))$ (k) Prescribing the records of purchases or sales of liquor kept by the holders of licenses, and the reports to be made thereon to

- 1 the ((board)) agency, and providing for inspection of the records so
 2 kept;
- 6 (((0))) (m) Prescribing the manner of giving and serving notices 7 required by this title or the ((regulations)) rules, where not 8 otherwise provided for in this title;
- 9 ((\(\frac{(p)}{p}\))) (n) Regulating premises in which liquor is kept for export
 10 from the state, or from which liquor is exported, prescribing the books
 11 and records to be kept therein and the reports to be made thereon to
 12 the ((\(\frac{board}{p}\))) agency, and providing for the inspection of the premises
 13 and the books, records and the liquor so kept;
- ((\(\frac{(q)}{Q}\))) (o) Prescribing the conditions and qualifications requisite
 for the obtaining of club licenses and the books and records to be kept
 and the returns to be made by clubs, prescribing the manner of
 licensing clubs in any municipality or other locality, and providing
 for the inspection of clubs;
- 19 (((r))) <u>(p) Prescribing</u> the conditions, accommodations and 20 qualifications requisite for the obtaining of licenses to sell beer and 21 wines, and regulating the sale of beer and wines thereunder;
- ((\(\frac{(s)}{s}\))) (q) Specifying and regulating the time and periods when,
 and the manner, methods and means by which manufacturers shall deliver
 liquor within the state; and the time and periods when, and the manner,
 methods and means by which liquor may lawfully be conveyed or carried
 within the state;
- 27 (((t))) <u>(r) Providing</u> for the making of returns by brewers of their 28 sales of beer shipped within the state, or from the state, showing the 29 gross amount of such sales and providing for the inspection of brewers' 30 books and records, and for the checking of the accuracy of any such 31 returns;
- $((\frac{u}{u}))$ (s) Providing for the making of returns by the wholesalers of beer whose breweries are located beyond the boundaries of the state;
- (((v))) (t) Providing for the making of returns by any other liquor manufacturers, showing the gross amount of liquor produced or purchased, the amount sold within and exported from the state, and to whom so sold or exported, and providing for the inspection of the premises of any such liquor manufacturers, their books and records, and
- 39 for the checking of any such return;

- 1 ((\(\frac{\pmathbf{w}}{\pmathbf{w}}\))) (u) Providing for the giving of fidelity bonds by any or
 2 all of the employees of the ((\(\frac{\pmathbf{board}}{\pmathbf{o}}\))) liquor control agency: PROVIDED,
 3 That the premiums therefor shall be paid by the ((\(\frac{\pmathbf{board}}{\pmathbf{o}}\))) agency;
- 4 $((\frac{x}{y}))$ <u>(v) Providing</u> for the shipment by mail or common carrier of liquor to any person holding a permit and residing in any unit which has, by election pursuant to this title, prohibited the sale of liquor

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therein;

- 8 ((y))) (w) Prescribing methods of manufacture, conditions of 9 sanitation, standards of ingredients, quality and identity of alcoholic 10 beverages manufactured, sold, bottled, or handled by licensees and the 11 ((board)) <u>liquor control agency</u>; and conducting from time to time, in 12 the interest of the public health and general welfare, scientific 13 studies and research relating to alcoholic beverages and the use and 14 effect thereof;
- 15 $((\frac{x}{2}))$ (x) Seizing, confiscating and destroying all alcoholic beverages manufactured, sold or offered for sale within this state 16 17 which do not conform in all respects to the standards prescribed by this title or the ((regulations)) rules of the ((board)) agency: 18 19 PROVIDED, Nothing ((herein contained)) in this section shall be 20 construed as authorizing the liquor ((board)) control agency to prescribe, alter, limit or in any way change the present law as to the 21 quantity or percentage of alcohol used in the manufacturing of wine or 22 23 other alcoholic beverages.
- "NEW SECTION. **sec. 880.** A new section is added to chapter 66.08 RCW to read as follows:
- The director, subject to the provisions of this title and the rules adopted under this title, shall:
- 28 (1) Establish all necessary warehouses for the storing and 29 bottling, diluting, and rectifying of stocks of liquors for the 30 purposes of this title;
- (2) Provide for the leasing for periods not to exceed ten years of all premises required for the conduct of the business; and for remodeling the same, and the procuring of their furnishings, fixtures, and supplies; and for obtaining options of renewal of such leases by the lessee. The terms of such leases in all other respects shall be subject to the direction of the director;

- 1 (3) Execute or cause to be executed, all contracts, papers, and 2 documents in the name of the agency, under such rules as the agency may 3 adopt;
- 4 (4) Pay all customs, duties, excises, charges, and obligations 5 whatsoever relating to the business of the agency;
- 6 (5) Require bonds from all employees in the discretion of the 7 director, and to determine the amount of fidelity bond of each such 8 employee;
- 9 (6) Perform services for the state lottery commission to such 10 extent, and for such compensation, as may be mutually agreed upon 11 between the director and the commission;
- (7) Perform all other matters and things, whether similar to the 12 foregoing or not, to carry out the provisions of this title, and shall 13 have full power to do each and every act necessary to the conduct of 14 15 its business, including all buying, selling, preparation and approval 16 of forms, and every other function of the business whatsoever, subject 17 only to audit by the state auditor: PROVIDED, That the director shall have no authority to regulate the content of spoken language on 18 19 licensed premises where wine and other liquors are served and where 20 there is not a clear and present danger of disorderly conduct being provoked by such language; 21
- 22 (8) Determine the localities within which state liquor stores shall 23 be established throughout the state, and the number and situation of 24 the stores within each locality;
- (9) Appoint in cities and towns and other communities, in which no state liquor store is located, liquor vendors. Such liquor vendors shall be agents of the liquor control agency and be authorized to sell liquor to such persons, firms, or corporations as provided for the sale of liquor from a state liquor store, and such vendors shall be subject to such additional rules consistent with this title; and
- 31 (10) Determine the nature, form, and capacity of all packages to be 32 used for containing liquor kept for sale under this title.
- "NEW SECTION. **Sec. 881.** A new section is added to chapter 66.08 RCW to read as follows:
- The director shall prepare, update, and execute an integrated liquor plan that includes, but is not limited to, the following elements:

- 1 (1) A program to achieve efficiencies and ensure operational
- 2 integration of regulatory, merchandising, and administrative services;
- 3 (2) A program of public and consumer information and coordination
- 4 with other public agencies and private organizations that emphasizes
- 5 alcohol abuse prevention and responsible consumption; and
- 6 (3) A strategy for implementation of the plan.
- 7 "Sec. 882. RCW 66.08.060 and 1933 ex.s. c 62 s 43 are each amended 8 to read as follows:
- 9 The ((board)) agency shall not advertise liquor in any form or
- 10 through any medium whatsoever. The ((board)) agency shall have power
- 11 to adopt any and all reasonable regulations as to the kind, character,
- 12 and location of advertising of liquor.
- "Sec. 883. RCW 66.08.070 and 1985 c 226 s 2 are each amended to
- 14 read as follows:
- 15 (1) Every order for the purchase of liquor shall be authorized by
- 16 the ((board)) agency, and no order for liquor shall be valid or binding
- 17 unless it is so authorized and signed by the ((board)) agency or its
- 18 authorized designee.
- 19 (2) A duplicate of every such order shall be kept on file in the
- 20 office of the ((board)) agency.
- 21 (3) All cancellations of such orders made by the ((board)) agency
- 22 shall be signed in the same manner and duplicates thereof kept on file
- 23 in the office of the ((board)) agency. Nothing in this title shall be
- 24 construed as preventing the ((board)) agency from accepting liquor on
- 25 consignment.
- 26 (4) In the purchase of wine or malt beverages the ((board)) agency
- 27 shall not require, as a term or condition of purchase, any warranty or
- 28 affirmation with respect to the relationship of the price charged the
- 29 ((board)) agency to any price charged any other buyer.
- 30 "Sec. 884. RCW 66.08.075 and 1937 c 217 s 5 (adding new section
- 31 42-A to 1933 ex.s. c 62) are each amended to read as follows:
- 32 No official or employee of the ((liquor control board of the state
- 33 of Washington)) agency shall, during his or her term of office or
- 34 employment, or for a period of two years immediately following the
- 35 termination thereof, represent directly or indirectly any manufacturer
- 36 or wholesaler of liquor in the sale of liquor to the ((board)) agency.

- 1 "Sec. 885. RCW 66.08.090 and 1933 ex.s. c 62 s 31 are each amended
- 2 to read as follows:
- 3 No employee shall sell liquor in any other place, nor at any other
- 4 time, nor otherwise than as authorized by the ((board)) agency under
- 5 this title and the regulations.
- 6 "Sec. 886. RCW 66.08.100 and 1935 c 174 s 9 (adding new section
- 7 62-A to 1933 ex.s. c 62) are each amended to read as follows:
- 8 No court of the state of Washington other than the superior court
- 9 of Thurston county shall have jurisdiction over any action or
- 10 proceeding against the ((board)) agency or any member thereof for
- 11 anything done or omitted to be done in or arising out of the
- 12 performance of ((his or their)) the member's duties under this title.
- 13 Neither the ((board)) agency nor any member or members thereof shall be
- 14 personally liable in any action at law for damages sustained by any
- 15 person because of any acts performed or done or omitted to be done by
- 16 the ((board)) agency or any employee of the ((board)) agency in the
- 17 performance of his or her duties and in the administration of this
- 18 title.
- 19 "Sec. 887. RCW 10.93.020 and 1988 c 36 s 5 are each amended to
- 20 read as follows:
- 21 As used in this chapter, the following terms have the meanings
- 22 indicated unless the context clearly requires otherwise.
- 23 (1) "General authority Washington law enforcement agency" means any
- 24 agency, department, or division of a municipal corporation, political
- 25 subdivision, or other unit of local government of this state, and any
- 26 agency, department, or division of state government, having as its
- 27 primary function the detection and apprehension of persons committing
- 28 infractions or violating the traffic or criminal laws in general, as
- 29 distinguished from a limited authority Washington law enforcement
- 30 agency, and any other unit of government expressly designated by
- 31 statute as a general authority Washington law enforcement agency. The
- 32 Washington state patrol is a general authority Washington law
- 33 enforcement agency.
- 34 (2) "Limited authority Washington law enforcement agency" means any
- 35 agency, political subdivision, or unit of local government of this
- 36 state, and any agency, department, or division of state government,
- 37 having as one of its functions the apprehension or detection of persons

- committing infractions or violating the traffic or criminal laws 1 relating to limited subject areas, including but not limited to, the 2 state departments of natural resources, ((fisheries,)) fish and 3 4 wildlife, and social and health services, the state gambling commission, the state lottery commission, the state parks and 5 recreation commission, state utilities 6 the and transportation 7 commission, the state liquor control ((board)) agency, and the state 8 department of corrections.
- 9 (3) "General authority Washington peace officer" means any full10 time, fully compensated and elected, appointed, or employed officer of
 11 a general authority Washington law enforcement agency who is
 12 commissioned to enforce the criminal laws of the state of Washington
 13 generally.
- (4) "Limited authority Washington peace officer" means any fulltime, fully compensated officer of a limited authority Washington law
 enforcement agency empowered by that agency to detect or apprehend
 violators of the laws in some or all of the limited subject areas for
 which that agency is responsible. A limited authority Washington peace
 officer may be a specially commissioned Washington peace officer if
 otherwise qualified for such status under this chapter.
- (5) "Specially commissioned Washington peace officer", for the 21 purposes of this chapter, means any officer, whether part-time or full-22 time, compensated or not, commissioned by a general authority 23 24 Washington law enforcement agency to enforce some or all of the 25 criminal laws of the state of Washington, who does not qualify under 26 this chapter as a general authority Washington peace officer for that 27 commissioning agency, specifically including reserve peace officers, and specially commissioned full-time, fully compensated peace officers 28 duly commissioned by the states of Oregon or Idaho or any such peace 29 30 officer commissioned by a unit of local government of Oregon or Idaho. A reserve peace officer is an individual who is an officer of a 31 Washington law enforcement agency who does not serve such agency on a 32 33 full-time basis but who, when called by the agency into active service, 34 is fully commissioned on the same basis as full-time peace officers to 35 enforce the criminal laws of the state.
- 36 (6) "Federal peace officer" means any employee or agent of the 37 United States government who has the authority to carry firearms and 38 make warrantless arrests and whose duties involve the enforcement of 39 criminal laws of the United States.

- (7) "Agency with primary territorial jurisdiction" means a city or 1 2 town police agency which has responsibility for police activity within its boundaries; or a county police or sheriff's department which has 3 4 responsibility with regard to police activity in the unincorporated 5 areas within the county boundaries; or a statutorily authorized port district police agency or four-year state college or university police 6 7 agency which has responsibility for police activity within the 8 statutorily authorized enforcement boundaries of the port district, 9 state college, or university.
- 10 (8) "Primary commissioning agency" means (a) the employing agency 11 in the case of a general authority Washington peace officer, a limited authority Washington peace officer, an Indian tribal peace officer, or 12 13 a federal peace officer, and (b) the commissioning agency in the case of a specially commissioned Washington peace officer (i) who is 14 15 performing functions within the course and scope of the special 16 commission and (ii) who is not also a general authority Washington 17 peace officer, a limited authority Washington peace officer, an Indian tribal peace officer, or a federal peace officer. 18
- 19 (9) "Primary function of an agency" means that function to which 20 greater than fifty percent of the agency's resources are allocated.
- 21 (10) "Mutual law enforcement assistance" includes, but is not 22 limited to, one or more law enforcement agencies aiding or assisting 23 one or more other such agencies through loans or exchanges of personnel 24 or of material resources, for law enforcement purposes.
- 25 "Sec. 888. RCW 19.02.050 and 1989 1st ex.s. c 9 s 317 are each 26 amended to read as follows:
- 27 (1) The legislature hereby directs the full participation by the 28 following agencies in the implementation of this chapter:
- 29 (a) Department of agriculture;
- 30 (b) Secretary of state;
- 31 (c) Department of social and health services;
- 32 (d) Department of revenue;
- 33 (e) Department of ((fisheries)) fish and wildlife;
- 34 (f) Department of employment security;
- 35 (g) Department of labor and industries;
- 36 (h) Department of <u>community</u>, trade, and economic development;
- 37 (i) Liquor control ((board)) agency;
- 38 (j) Department of health;

- 1 (k) Department of licensing;
- 2 (1) Utilities and transportation commission; and
- 3 (m) Other agencies as determined by the governor.

"Sec. 889. RCW 43.17.010 and 1993 sp.s. c 2 s 16, 1993 c 472 s 17,
and 1993 c 280 s 18 are each amended to read as follows:

There shall be departments of the state government which shall be 6 7 known as (1) the department of social and health services, (2) the department of ecology, (3) the department of labor and industries, (4) 8 9 the department of agriculture, (5) the department of fish and wildlife, (6) the department of transportation, (7) the department of licensing, 10 (8) the department of general administration, (9) the department of 11 community, trade, and economic development, (10) the department of 12 veterans affairs, (11) the department of revenue, (12) the department 13 14 of retirement systems, (13) the department of corrections, ((and)) (14) 15 the department of health, ((and)) (15) the department of financial institutions, and (16) the liquor control agency, which shall be 16 charged with the execution, enforcement, and administration of such 17 18 laws, and invested with such powers and required to perform such 19 duties, as the legislature may provide.

20 "Sec. 890. RCW 43.17.020 and 1993 sp.s. c 2 s 17, 1993 c 472 s 18, 21 and 1993 c 280 s 19 are each amended to read as follows:

22 There shall be a chief executive officer of each department to be 23 known as: (1) The secretary of social and health services, (2) the 24 director of ecology, (3) the director of labor and industries, (4) the director of agriculture, (5) the director of fish and wildlife, (6) the 25 secretary of transportation, (7) the director of licensing, (8) the 26 27 director of general administration, (9) the director of community, 28 trade, and economic development, (10) the director of veterans affairs, 29 (11) the director of revenue, (12) the director of retirement systems, (13) the secretary of corrections, ((and)) (14) the secretary of 30 health, ((and)) (15) the director of financial institutions, and (16) 31 32 the director of the liquor control agency.

33 Such officers, except the secretary of transportation, shall be 34 appointed by the governor, with the consent of the senate, and hold 35 office at the pleasure of the governor. The secretary of 36 transportation shall be appointed by the transportation commission as 37 prescribed by RCW 47.01.041. "Sec. 891. RCW 42.17.2401 and 1993 sp.s. c 2 s 18, 1993 c 492 s
2 488, and 1993 c 281 s 43 are each reenacted and amended to read as
3 follows:

4 For the purposes of RCW 42.17.240, the term "executive state 5 officer" includes:

5 6 chief administrative law (1)The judge, the director of 7 agriculture, the administrator of the office of marine safety, the 8 administrator of the Washington basic health plan, the director of the 9 department of services for the blind, the director of the state system of community and technical colleges, the director of community, trade, 10 11 and economic development, the secretary of corrections, the director of 12 ecology, the commissioner of employment security, the chairman of the 13 energy facility site evaluation council, the director of the energy office, the secretary of the state finance committee, the director of 14 15 financial management, the director of fish and wildlife, the executive 16 secretary of the forest practices appeals board, the director of the 17 gambling commission, the director of general administration, the secretary of health, the administrator of the Washington state health 18 19 care authority, the executive secretary of the health care facilities 20 authority, the executive secretary of the higher education facilities authority, the executive secretary of the horse racing commission, the 21 22 executive secretary of the human rights commission, the executive 23 secretary of the indeterminate sentence review board, the director of 24 the department of information services, the director of the interagency 25 committee for outdoor recreation, the executive director of the state 26 investment board, the director of labor and industries, the director of licensing, the director of the liquor control agency, the director of 27 the lottery commission, the director of the office of minority and 28 29 women's business enterprises, the director of parks and recreation, the 30 director of personnel, the executive director of the public disclosure commission, the director of retirement systems, the director of 31 revenue, the secretary of social and health services, the chief of the 32 33 Washington state patrol, the executive secretary of the board of tax 34 appeals, ((the director of trade and economic development,)) the 35 secretary of transportation, the secretary of the utilities and transportation commission, the director of veterans affairs, the 36 37 president of each of the regional and state universities and the president of The Evergreen State College, each district and each campus 38 39 president of each state community college;

- 1 (2) Each professional staff member of the office of the governor;
 - (3) Each professional staff member of the legislature; and

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- 3 (4) Central Washington University board of trustees, board of 4 trustees of each community college, each member of the state board for community and technical colleges, state convention and trade center 5 board of directors, committee for deferred compensation, Eastern 6 7 University board of Washington trustees, Washington economic 8 development finance authority, The Evergreen State College board of 9 trustees, forest practices appeals board, forest practices board, 10 gambling commission, Washington health care facilities authority, each 11 member of the Washington health services commission, higher education coordinating board, higher education facilities authority, horse racing 12 13 commission, state housing finance commission, human rights commission, 14 indeterminate sentence review board, board of industrial insurance 15 appeals, information services board, interagency committee for outdoor 16 recreation, state investment board, ((liquor control board,)) lottery 17 commission, marine oversight board, oil and gas conservation committee, Pacific Northwest electric power and conservation planning council, 18 19 parks and recreation commission, personnel appeals board, board of pilotage commissioners, pollution control hearings board, public 20 disclosure commission, public pension commission, shorelines hearing 21 board, public employees' benefits board, board of tax appeals, 22 transportation commission, University of Washington board of regents, 23 24 utilities and transportation commission, Washington state maritime 25 commission, Washington personnel resources board, Washington public 26 power supply system executive board, Washington State University board 27 of regents, Western Washington University board of trustees, and fish and wildlife commission. 28
- 29 "Sec. 892. RCW 43.82.010 and 1990 c 47 s 1 are each amended to 30 read as follows:
- (1) The director of the department of general administration, on 31 32 behalf of the agency involved, shall purchase, lease, rent, otherwise acquire all real estate, improved or unimproved, as may be 33 34 required by elected state officials, institutions, departments, commissions, boards, and other state agencies, or federal agencies 35 36 where joint state and federal activities are undertaken and may grant easements and transfer, exchange, sell, lease, or sublease all or part 37 38 of any surplus real estate for those state agencies which do not

- otherwise have the specific authority to dispose of real estate. This section does not transfer financial liability for the acquired property to the department of general administration.
- 4 (2) Except for real estate occupied by federal agencies, the 5 director shall determine the location, size, and design of any real 6 estate or improvements thereon acquired or held pursuant to subsection 7 (1) of this section.

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- (3) The director is authorized to purchase, lease, rent, or otherwise acquire improved or unimproved real estate as owner or lessee and to lease or sublet all or a part of such real estate to state or federal agencies. The director shall charge each using agency its proportionate rental which shall include an amount sufficient to pay all costs, including, but not limited to, those for utilities, janitorial and accounting services, and sufficient to provide for contingencies; which shall not exceed five percent of the average annual rental, to meet unforeseen expenses incident to management of the real estate.
- (4) If the director determines that it is necessary or advisable to undertake any work, construction, alteration, repair, or improvement on any real estate acquired pursuant to subsections (1) or (3) of this section, the director shall cause plans and specifications thereof and an estimate of the cost of such work to be made and filed in his office and the state agency benefiting thereby is hereby authorized to pay for such work out of any available funds: PROVIDED, That the cost of executing such work shall not exceed the sum of twenty-five thousand dollars. Work, construction, alteration, repair, or improvement in excess of twenty-five thousand dollars, other than that done by the owner of the property if other than the state, shall be performed in accordance with the public works law of this state.
- 30 (5) In order to obtain maximum utilization of space, the director 31 shall make space utilization studies, and shall establish standards for 32 use of space by state agencies.
- 33 (6) The director may construct new buildings on, or improve 34 existing facilities, and furnish and equip, all real estate under his 35 management.
- (7) All conveyances and contracts to purchase, lease, rent, transfer, exchange, or sell real estate and to grant and accept easements shall be approved as to form by the attorney general, signed

- 1 by the director or the director's designee, and recorded with the 2 county auditor of the county in which the property is located.
- 3 (8) The director may delegate any or all of the functions specified 4 in this section to any agency upon such terms and conditions as the 5 director deems advisable.
- 6 (9) This section does not apply to the acquisition of real estate 7 by:
- 8 (a) The state college and universities for research or experimental 9 purposes;
- 10 (b) The state liquor control ((board)) agency for liquor stores and 11 warehouses; and
- (c) The department of natural resources, the department of ((fisheries, the department of)) fish and wildlife, the department of transportation, and the state parks and recreation commission for purposes other than the leasing of offices, warehouses, and real estate for similar purposes.
- (10) Notwithstanding any provision in this chapter to the contrary, the department of general administration may negotiate ground leases for public lands on which property is to be acquired under a financing contract pursuant to chapter 39.94 RCW under terms approved by the state finance committee.
- "NEW SECTION. Sec. 893. The following acts or parts of acts are 23 each repealed:
- 24 (1) RCW 66.08.016 and 1961 c 1 s 30, 1947 c 113 s 2, & 1933 ex.s. 25 c 62 s 65;
- 26 (2) RCW 66.08.050 and 1993 c 25 s 1, 1986 c 214 s 2, 1983 c 160 s 27 1, 1975 1st ex.s. c 173 s 1, 1969 ex.s. c 178 s 1, 1963 c 239 s 3, 1935 28 c 174 s 10, & 1933 ex.s. c 62 s 69; and
- 29 (3) RCW 66.08.150 and 1989 c 175 s 122, 1967 c 237 s 23, & 1933 30 ex.s. c 62 s 62.
- "NEW SECTION. Sec. 894. Nothing in this act requires the liquor control agency to discard stationery or signs, rename its facilities or stores, or incur similar expenses attributable to the renaming of the agency.

- 1 "NEW SECTION. Sec. 895. The code reviser shall prepare and
- 2 present to the 1995 legislature a bill which corrects references to the
- 3 liquor control board that are rendered inaccurate by this act."
- 4 Renumber remaining sections
- 5 **ESHB 2676** S AMD
- 6 By Senator Quigley
- 7 On page 178, line 7, after "1994" insert "PROVIDED, That sections
- 8 872 through 894 of this act shall take effect July 1, 1995"
- 9 **ESHB 2676** S AMD
- 10 By Senator Quigley
- 11 WITHDRAWN 3/8/94
- On page 3, line 6 of the title, after "88.46.110;" insert "amending
- 13 RCW 10.93.020, 19.02.050, 42.17.2401, 43.17.010, 43.17.020, 43.82.010,
- 14 66.04.010, 66.08.012, 66.08.014, 66.08.020, 66.08.030, 66.08.060,
- 15 66.08.070, 66.08.075, 66.08.090, 66.08.100; adding new sections to
- 16 chapter 66.08 RCW; repealing RCW 66.08.016, 66.08.050, 66.08.150;"

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